NEW YORK STATE EMPLOYEE CAFETERIA PLAN

Amended and Restated as of
January 1, 2012

New York State Employee Cafeteria Plan

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INTRODUCTION

The State of New York (the "Plan Sponsor") previously established the New York State Employee Cafeteria Plan (hereinafter referred to as "Plan"). The purpose of the Plan is to provide eligible employees a choice between certain taxable and nontaxable benefits offered under this and other plans maintained by the Plan Sponsor. The Plan Sponsor now amends and restates the Plan in its entirety, effective as of January 1, 2012.

The Plan is intended to qualify as a cafeteria plan under Section 125 of the Internal Revenue Code of 1986 and is to be interpreted in a manner consistent with the requirements of that section as it may be amended from time to time.

ARTICLE I

Definitions

Definitions. As used herein, the following words and phrases shall have the following meanings unless a different meaning is plainly required by the context. Words in the masculine gender shall be deemed to include the feminine gender, and words in the feminine gender shall be deemed to include the masculine gender; and unless the context otherwise requires, the singular shall include the plural and the plural the singular. Any headings herein are included for reference only and are not to be construed so as to alter any of the terms of the Plan.

1.01 "Benefit Option" means a Qualified Benefit (including any separate option for coverage under an underlying accident or health plan) or a Permitted Taxable Benefit that is offered under a Component Plan.

1.02 "Change in Status" means any of the following events:

A. An event that changes an Eligible Employee's legal marital status, including marriage, death of spouse, divorce, or annulment;

B. An event that changes the number of an Eligible Employee's dependents eligible for coverage under a Component Plan, including birth, adoption, placement for adoption (as defined in regulations under Section 9801 of the Code), or death of a dependent;

C. Any of the following events that change the employment status of the employee, the employee's spouse, or the employee's dependent:

1. A termination or commencement of employment; a strike or lockout; a commencement of or return from an unpaid leave of absence or a change in worksite, or

2. Any other change in employment status that affects an individual's eligibility for benefits under a plan;

D. An event that causes an Employee's dependent to satisfy or cease to satisfy the definition of Eligible Dependent as set out in the relevant Component Plan; or

E. A change in the place or residence or work of the employee, spouse or dependent.

1.03 "Claims Administrator" means a third party designated by the Plan Administrator to determine claims for benefits under the Plan, or in the absence of such designation, the Plan Administrator.

1.04 "COBRA Continuation Coverage" means the extension of health coverage that must be offered in accordance with Section 2208 of the Public Health Service Act, along with any amendments to such law and any pertinent regulations, rulings, notices or other guidance.

1.05 "Code" means the Internal Revenue Code of 1986, as amended from time to time. Reference to any section or subsection of the Code includes references to any comparable or successor provisions of any legislation that amends, supplements or replaces such section or subsection.

1.06 "Compensation" means a Participant's compensation, as determined by the Employer.

1.07 "Component Plan" means a Health Plan offered by the New York State Health Insurance Program (NYSHIP).

1.08 "Component Plan Documentation" means those documents that describe the eligibility requirements and other rules related to participation of members of a Participating Group in a Component Plan. Such documents, which are maintained on the website maintained by the Department, are incorporated herein by reference.

1.09 "Contribution Pay Period" means a pay period in which Salary Reduction Contributions are taken from a Participant's paycheck.

1.10 "Department" means the New York State Department of Civil Service.

1.11 "Dependent" means an individual who is eligible for coverage as a dependent of an Eligible Employee as set out in the plan document of the relevant Component Plan.

1.12 "Election Change" means the revocation of an Employee's election and making of a new election for the remaining portion of the Plan Year.

1.13 "Election Form" means the enrollment form or other enrollment process authorized by the Plan Administrator through which an Eligible Employee makes his or her benefits election and by which the Eligible Employee agrees to make Salary Reduction Contributions in order to obtain certain benefits.

1.14 "Eligibility Date" means the date an Eligible Employee becomes eligible to participate in a Component Plan pursuant to the eligibility requirements applicable to the Participating Group of which such Eligible Employee is a member.

1.15 "Eligible Dependent" means an individual who: (a) is eligible for coverage under a Component Plan.

1.16 "Eligible Employee" means an Employee who is eligible to participate in a Component Plan.

1.17 "Employee" means any person currently employed by the Employer who is receiving Compensation for services performed. "Employee" shall not include any person classified in the Employer's records as an independent contractor, agent, leased employee, contract employee, temporary employee or in any other classification other

than employee, regardless of any determination by a governmental agency or court that any such person is a common law employee of an Employer.

1.18 "Employee After-Tax Contributions" means those contributions, as described in Section 4.02, that are made by a Participant on an after-tax basis to purchase coverage offered under one or more Component Plans.

1.19 "Employer" means the State of New York.

1.20 "FMLA Leave" means an approved leave of absence protected by the Family and Medical Leave Act of 1993 as it may be amended from time to time.

1.21 "Health Plan" means a group health plan, including a health maintenance organization, that provides coverage for medical, dental or vision care, that is offered by the Employer and which is a Component Plan.

1.22 "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 as it may be amended from time to time.

1.23 "Late Enrollee" means an individual whose coverage under a Component Plan began on a Late Enrollment Date.

1.24 "Late Enrollment Date" means the date coverage becomes effective under a Component Plan for an individual who was not enrolled in a Component Plan when first eligible.

1.25 "Military Leave" means a leave of absence protected by the Uniformed Services Employment and Reemployment Rights Act of 1994.

1.26 "Opt-out Program Documentation" means those documents prepared by the Employee Benefits Division of the New York State Department of Civil Service that set out the eligibility requirements and other rules regarding the payment of the Opt-out Program. Such documents are included as Appendix B to the plan document.

1.27 "Participant" means an Eligible Employee who has elected to either: (1) pay for coverage under a Component Plan through Salary Reduction Contributions, or (2) receive benefits under the Opt-out Program. Only Eligible Employees may participate in the Plan.

1.28 "Participating Group" means any group of active Employees that is eligible for benefits as the result of collective bargaining agreements between the State and unions representing State employees or administrative determination by the State. A group shall be a Participating Group only for such periods during which its members are eligible for Health Plan coverage through NYSHIP.

1.29 "Permitted Taxable Benefit" means:

A. The Participant's Compensation,

B. A benefit under a Component Plan attributable to employer contributions that is taxable to the Participant upon receipt, and

C. A benefit under a Component Plan that is purchased with Employee After-Tax Contributions.

D. The Opt-out Benefit described in Article V.

1.30 "Plan" means this New York State Employee Cafeteria Plan.

1.31 "Plan Administrator" means the Department or any person appointed by the Plan Sponsor to administer the Plan as set forth in Article XI.

1.32 "Plan Sponsor" means the State of New York.

1.33 "Plan Year" means the period beginning on first day of the payroll period which begins closest to January 1 of each calendar year and ending on the last day of the payroll period which ends closest to January 1 of the following calendar year.

1.34 "PHSA" means the Public Health Service Act as amended from time to time. Reference to any section or subsection of the PHSA includes references to any comparable or successor provisions of any legislation that amends, supplements or replaces such section or subsection.

1.35 "Salary Reduction Contributions" means those contributions as described in Section 4.01 of the Plan.

1.36 "Similar Coverage" means coverage under the same type of Benefit Option for the same individuals.

1.37 "Spouse" means the legal spouse of a Participant as defined by state law.

1.38 "Qualified Benefit" means a benefit offered under a Component Plan attributable to employer contributions to the extent that it is not currently included in the Participant's income and is included as a qualified benefit in Code Section 125(f).

1.39 "USERRA" means the Uniformed Services Employment and Reemployment Rights Act of 1994 as it may be amended from time to time.

ARTICLE II

Participation

2.01 Effective Date of Participation

An Eligible Employee will become a Participant in this Plan on his or her Eligibility Date.

2.02 Termination of Participation

A Participant shall cease to be a Participant in this Plan on the earliest of the following dates:

A. The date on which the Participant first pays for his or her coverage under a Component Plan through After-tax Employee Contributions other than as described in Section 4.02;

B. The date this Plan terminates;

C. The date the individual ceases to be covered under any Benefit Option; or

D. The date the Participant's Participating Group no longer participates in the Plan.

2.03 Termination of Benefit Option Coverage

Coverage under any Benefit Option elected under this Plan shall terminate on the earliest of:

A. The date specified in the Plan Documentation of the Component Plan, or

B. The end of each Plan Year.

Coverage under a Benefit Option for subsequent Plan Years can only be obtained in accordance with the election procedures set forth in Section 3.03.

Notwithstanding the above, a former Participant or other qualified beneficiary, as defined in Section 2208 (3) of the PHSA, or a former Participant who is on a Military Leave may elect to continue coverage under a Component Plan which is a Health Plan beyond the date such coverage would otherwise terminate. The terms and conditions of such continued coverage are set out in the Component Plan's plan document. Contributions to maintain continuation of coverage shall be made directly to the Plan Administrator or insurance carrier as applicable and shall not be made under this Plan, except as otherwise permitted under Section 3.06E.1.

ARTICLE III

Election of Benefits

3.01 Benefit Elections

Subject to all other provisions of this Plan and subject to any other rules for eligibility established by the Plan Administrator, a Participant may choose among the following Permitted Taxable Benefits and Qualified Benefits offered under a Component Plan:

A. Permitted Taxable Benefits

1. Cash, including the Opt-out Benefit payment

B. Nontaxable Benefits

1. Medical coverage

Enrollment in any Component Plan offered under this Plan shall be governed by the terms, conditions and provisions of the Plan Documentation of the Component Plan.

3.02 Election Procedures Upon Initial Eligibility

A. The Plan Administrator shall provide an individual who has become an Eligible Employee with an Election Form through which such Eligible Employee shall elect the Benefit Options in which he or she desires to enroll for the Plan Year, and, where applicable, agree to make Salary Reduction Contributions as provided in Section 4.01. In order for such election to be effective, the Eligible Employee must submit a completed Election Form within the time period specified by the Plan Administrator in the enrollment materials. Coverage under a Benefit Option shall be effective on the individual's Eligibility Date.

B. An Eligible Employee who fails to submit a completed Election Form within the time period specified by the Plan Administrator shall be deemed to have elected to receive his or her full Compensation in cash, to have elected no nontaxable Benefit Option and to have waived the Opt-out Benefit.

C. An Eligible Employee who elects to pay for his or her coverage under a Benefit Option with After-Tax Employee Contributions shall be deemed to have declined participation in this Plan.

3.03 Annual Benefit Option Changes

A. Prior to the commencement of each Plan Year, the Plan Administrator shall permit each Participant make one or more of the following elections with respect to such Plan Year:

1. To change the Health Plan Benefit Option in which he or she will be enrolled;

2. To enroll and/or disenroll Dependents from coverage under a Component Plan;

3. To pay for coverage of a Dependent who was a Late Enrollee in the immediately preceding Plan Year through Salary Reduction Contributions;

4. To waive coverage and elect the Opt-out Benefit Option; or

5. To discontinue participation in the Plan and elect to pay for coverage through After-Tax Contributions.

Such election(s), which must be made on the Election Form specified by the Plan Administrator, shall be effective as of the first day of the Plan Year. The Election Form must be completed on or before such date as the Plan Administrator shall specify, which date shall be no later than the beginning of the first pay period to which such election applies.

B. Except as provided in subsection C. below, a Participant who does not submit a completed Election Form for any subsequent Plan Year shall be deemed to have: (1) elected to continue whatever Benefit Options (other than the Opt-out Benefit Option) that he or she had most recently elected on his or her Election Form; (2) elected no coverage under the Opt-out Benefit Option, and (3) agreed to pay through Salary Reduction Contributions whatever amount is then necessary to purchase such Benefit Options as provided in accordance with Article IV of this Plan.

At the discretion of the Plan Administrator, in the event that a Benefit Option in which a Participant had been enrolled is eliminated for the subsequent Plan Year, the Participant will be enrolled in a Benefit Option providing Similar Coverage, if available, as designated by the Plan Administrator. All similarly-situated Participants shall be enrolled in the same Benefit Option.

C. Notwithstanding the above, if a Component Plan provides for mandatory participation or for automatic enrollment in a Benefit Option in the absence of an election by the Eligible Employee, such Eligible Employee shall be deemed to have elected coverage under such Benefit Option and to have consented to any applicable Salary Reduction Contributions.

3.04 Duration of Elections

Except as provided in Section 3.05 and 3.06, a Participant's election is irrevocable and shall remain in effect through the last day of the Plan Year for which it was made.

Notwithstanding the preceding, a Participant's Election shall be subject further to the conditions set forth in the plan document of the respective Component Plan.

3.05 Reduction or Revocation of Certain Elections by Plan Administrator

The Plan Administrator may revoke or reduce a Participant's election of Salary Reduction Contributions under this Plan at any time prior to or during a Plan Year, to the extent necessary to prevent this Plan from being considered discriminatory under Sections 125(b) and 105(h)(2) of the Code.

3.06 Changes in Employee Elections

A. Special Enrollment Rights. A Eligible Employee who is entitled to special enrollment rights under a Component Plan as required by Section 2704(f)(1) or Section 2704(f)(2) of the PHSA may make an Election Change with respect to such Component Plan, provided the Participant enrolls himself or herself and/or his or her spouse and dependents under a Benefit Option that is a group health plan: (1) in the case of special enrollment rights arising from the acquisition of a new dependent child through birth, adoption or placement for adoption, within 30 days of such birth, adoption or placement for adoption or (2) in all other instances, within 30 days of the occurrence of the event giving rise to such special enrollment rights.

An Eligible Employee who has special enrollment rights under a group health plan as provided under Section 2704(f)(3) of the PHSA may make an Election Change with respect to such group health plan coverage provided the Eligible Employee enrolls himself or herself and/or his or her spouse and dependents under a Health Plan Benefit Option that is a group health plan subject to the requirements of HIPAA within 60 days after: (1) the date the Eligible Employee's or his or her spouse's or dependent's Medicaid or state children's health insurance program ("CHIP") coverage terminates or (2) the date the Eligible Employee or his or her spouse or dependent is determined to be eligible for a Medicaid or CHIP premium-assistance subsidy for qualified employer-sponsored health coverage.

B. Changes in Status

1. A Participant may make an Election Change with respect to the various Benefit Options offered under this Plan if such Election Change:

a. is on account of and is consistent with a Change in Status that affects eligibility for coverage under an employer's plan or coverage under a particular benefit package option under such plan. For this purpose, a Change in Status that results in the increase or decrease in the number of a Participant's family

members who may benefit from coverage under the plan or option shall be deemed to affect eligibility for coverage;

b. is permitted under the terms of the Plan Document of the respective Component Plan, and

c. is made within 30 days of the date the Participant experiences the Change in Status for which the Election Change is permitted.

2. Special Consistency Rule

An Election Change to cancel the coverage of an individual who becomes eligible for coverage under another plan sponsored by the employer of a Participant's family member on account of a change in marital status or change in employment status will be deemed consistent with a Change in Status only if the individual actually enrolls for such coverage. An Election Change will not be deemed consistent with a Change in Status event that is the Participant's divorce or annulment from a spouse, the death of a spouse or dependent or a dependent ceasing to satisfy the eligibility requirements for coverage if it cancels the coverage for any individual other than the affected spouse or dependent.

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3. A Participant who terminates employment during the Plan Year may, upon subsequent reemployment as an Eligible Employee during such Plan Year,

a. Reinstate the elections in effect as of the date employment terminated or,

b. Provided the prior termination of employment was not solely for the purpose of permitting the Participant to make an Election Change, make an Election Change for the remainder of the Plan Year.

An Eligible Employee who resumes employment within 30 days of the date employment terminated without an intervening event that would otherwise permit an Election Change under this Section 3.06 shall only be permitted to reinstate the elections in effect as of the date employment terminated.

4. Dependents Who Become Ineligible for Coverage

Notwithstanding the above, notice that an individual has become ineligible for Dependent coverage under a Component Plan may be provided after within the timeframe specified in subsection 1(c) above. In that event, the Participant's Salary Reduction Contributions may be reduced on a

prospective basis to reflect any reduction in the amount that the Participant is required to pay for coverage.

C. Changes in Cost

1. Automatic Changes. If the cost of a Benefit Option increases or decreases, the Plan Administrator may, on a reasonable and consistent basis, automatically make a prospective increase or decrease in the affected Participant's Salary Reduction Contributions under the Plan.

2. Significant Cost Changes

a. If the cost that a Participant is charged for a Benefit Option significantly increases, the Plan Administrator, in its sole discretion, may permit the Participant to:

(1) Make a corresponding prospective increase in his or her Salary Reduction Contributions;

(2) Revoke the election for that Benefit Option for the balance of the Plan Year and to elect Similar Coverage on a prospective basis; or

(3) Drop coverage if Similar Coverage is not offered.

To be effective, an Election Change must be made within the time specified by the Plan Administrator.

b. If the cost charged for a Benefit Option significantly decreases, the Plan Administrator, in its sole discretion, may:

(1) Permit a Participant who elected coverage under such Benefit Option for the Plan Year to make a corresponding prospective decrease in his or her Salary Reduction Contributions;

(2) Permit all Participants, including those who did not elect coverage under such Benefit Option for the Plan Year, to revoke their elections for the balance of the Plan Year and to elect to receive coverage under the Benefit Option with the decrease in cost on a prospective basis.

(3) Permit Participants who elected coverage under a Benefit Option providing Similar Coverage to revoke their elections for the balance of the Plan Year and to elect to

receive coverage under the Benefit Option with the decrease in cost on a prospective basis.

To be effective, an Election Change must be made within the time specified by the Plan Administrator.

D. Coverage Changes

1. Addition or Significant Improvement in Benefit Option. If a new Benefit Option is added during the Plan Year or if coverage under a Benefit Option is significantly improved, the Plan Administrator, in its sole discretion, may:

a. Permit all Participants, including those who had not previously elected coverage under a Benefit Option providing Similar Coverage, to revoke their elections for the balance of the Plan Year and to elect to receive coverage under the new or significantly improved Benefit Option on a prospective basis.

b. Permit Participants who elected coverage under a Benefit Option providing Similar Coverage to revoke their elections for the balance of the Plan Year and to elect to receive coverage under the new or significantly improved Benefit Option on a prospective basis.

To be effective, an Election Change must be made within the time specified by the Plan Administrator.

2. Significant Curtailment with Loss of Coverage. If a Participant has a significant curtailment under a Benefit Option that is a loss of coverage, the Plan Administrator, in its sole discretion, may permit the affected Participant to revoke his or her election of such Benefit Option and to elect Similar Coverage on a prospective basis or to drop coverage if no Benefit Option providing Similar Coverage is available. For this purpose, a loss of coverage means a complete loss of coverage under a Benefit Option, including the elimination of the Benefit Option, an HMO ceasing to be available in the area in which the individual resides or the individual losing all coverage under the Benefit Option by reason of a lifetime or annual limitation. In addition, the Plan Administrator, in its sole discretion, may treat the following as a loss of coverage:

a. The withdrawal of a major hospital from a PPO network or a substantial decrease in the physicians participating in a PPO network or HMO;

b. The reduction in the benefits for which an employee or dependent is currently in a course of treatment.

c. Any other similar fundamental loss of coverage.

To be effective, an Election Change must be made within the time specified by the Plan Administrator.

3. Significant Curtailment without a Loss of Coverage. If a Participant has a significant curtailment under a Benefit Option that is not a loss of coverage as described in paragraph 2 above, the Plan Administrator, in its sole discretion, may permit the affected Participant to revoke his or her election of such Benefit Option and to elect Similar Coverage on a prospective basis. In no event will the Participant be permitted to drop coverage. For this purpose, coverage under a Benefit Option will be considered significantly curtailed only if there is an overall reduction in coverage provided under the plan generally, such as through a significant increase in the deductible, the copayment or the out-of-pocket cost sharing. To be effective, an Election Change must be made within the time specified by the Plan Administrator.

4. Changes in Coverage under Another Employer's Plan. A Participant may make an Election Change that corresponds with a change made under another employer plan if:

a. The change made under the other employer plan was on account of an event for which an Election Change is permitted under Code Section 125, or

b. The period of coverage under the other employer plan is different than under this Plan.

To be Effective, the Election Change must be made within 30 days of the date the coverage change is made under the other plan.

Notwithstanding the above, an Election Change is permitted only if it is permitted under the terms of the relevant Component Plan. Any election change to drop coverage will be effective only with respect to those individuals who become covered under the other plan.

5. Loss of Other Group Health Coverage. An Eligible Employee may make a prospective Election Change to add coverage for the Employee, spouse or dependent, if coverage is lost under a group health coverage sponsored by a governmental or educational institution, including the following:

a. A state's children's health insurance program under Title XXI of the Social Security Act;

b. A medical care program of an Indian tribal government, the Indian Health Service or a tribal organization;

c. A State health benefits risk pool; or

d. A foreign government group health plan.

To be effective, the Election Change must be made within 30 days of the date the other coverage is lost.

E. Other Permissible Changes

1. The Plan Administrator, in its sole discretion, may permit a Participant to elect to increase contributions under the Plan in order to pay for COBRA Continuation Coverage or state continuation coverage provided under a Health Plan Benefit Option when such coverage is elected by the Participant and/or the Participant's spouse or dependents. To be effective, the election to increase contributions must be made within the period of time provided by COBRA or state law, as applicable, for electing continuation coverage.

2. In the event a judgment, decree, or order ("Order") requires health coverage for an Eligible Employee's child, and an Employer is required to comply with such Order, the Plan may:

a. Change the Employee's election to provide coverage for the child if the Order requires coverage under the plan maintained by the Employer, or

b. Permit the Employee to make an Election Change to cancel coverage for the child if the Order requires another individual to provide coverage and coverage is actually provided. To be effective, an Election Change must be made within 30 days of the date the Order is issued to the Employee.

3. Medicare and Medicaid

a. If an Eligible Employee or the Employee's Spouse or Dependent covered under a Health Benefit Plan Option enrolls for coverage under Medicare or Medicaid, the Employee may make an Election Change to cancel health coverage with respect to that individual.

b. If an Eligible Employee or the Employee's Spouse or Dependent enrolled in Medicare ceases to be eligible for such coverage, the Employee may make an Election Change to enroll the affected individual in a Health Plan Benefit Option as otherwise permitted under the terms of the Component Plan.

To be effective, an Election Change must be made within 30 days of the date the individual enrolls for Medicare or Medicaid as described above or loses eligibility for such coverage, as applicable.

F. Family and Medical Leave

1. Except as provided in paragraph 2. below, a Participant who goes on unpaid FMLA Leave may:

   a. Revoke his or her election under a Health Plan Benefit Option at the onset of such leave or at any time during such leave; and

   b. Revoke his or her election with respect to non-health benefits to the same extent as employees who are on unpaid leaves of absence other than FMLA Leave are permitted to revoke such elections.

   Upon return from FMLA Leave, an Eligible Employee who has revoked an election may choose to reinstate such election, provided, however, that an Employer may require reinstatement of the election if employees who return from a period of unpaid leave not covered by the FMLA are also required to resume participation under a Benefit Option upon return from leave.

2. A Participant shall not be permitted to revoke his or her election if the Employer continues the Participant's coverage while such Participant is on FMLA Leave but allows the Participant to discontinue his or her share of the contributions towards such coverage during the period of FMLA Leave. In such event, the Employer may recover the Participant's share of contributions when the Participant returns to work as provided in Section 3.05.

3. A Participant who is on FMLA Leave shall have the same right to make, revoke or change elections as described in Section 3.03 and subsections A., B., C., D., and E. of this Section 3.06 as other employees participating in the cafeteria plan who are working and are not on FMLA Leave.

G. Effective Date of Election Changes

An Election Change made pursuant to this Section 3.06 above shall be effective as of the date such change is effective under the respective Component Plan, except that in the case of an Election Change described in Section 3.06 A. above, other than

Election Change involving the addition of a new dependent through birth, adoption or placement for adoption, such change shall be effective with the pay period which begins coincident with or immediately following the date the new Election Form is accepted by the Plan Administrator, regardless of when coverage becomes effective under the Component Plan.

ARTICLE IV

Contributions

4.01 Salary Reduction Contributions

A Participant may elect to reduce his Compensation for a Plan Year and to use such amounts to purchase benefits offered under one or more Component Plans. The monetary amount associated with this election constitutes Salary Reduction Contributions. Such Salary Reduction Contributions shall be authorized by the Participant on the Election Form. Salary Reduction Contributions are considered to be contributions made by the Employer on behalf of a Participant.

The amount of the reduction in the Participant's Compensation for the Plan Year shall be the coverage amount elected for each benefit by the Participant, subject to the limitations contained in those respective Articles**.** The amount of the reduction in the Participant's Compensation for the Plan Year for coverage under any Component Plan shall equal the Participant's share of the cost of such coverage as determined by the Employer and specified on the Election Form for the Plan Year.

4.02 Employee After-Tax Contributions

Under certain circumstances, a Participant may pay for coverage under certain Benefit Options from Compensation that has been subject to federal income taxes. The monetary amount associated with these payments constitutes Employee After-Tax Contributions. Employee After-Tax Contributions may be made for the following purposes:

A. To pay for coverage of Domestic Partners and same-sex Spouses who do not qualify for the income tax exclusion provided for in Section 105(b) of the Code;

B. To pay for continuation of coverage during unpaid FMLA Leave as described in Section 4.04; or

C. For such other purposes as determined by the Plan Administrator on a nondiscriminatory basis for all similarly situated Participants.

4.03 Contributions by Participants on Approved Leaves of Absence other than Unpaid FMLA Leave

A Participant who is on an approved leave of absence other than unpaid FMLA Leave and who is otherwise eligible to continue to receive benefits under this Plan while on such leave shall make contributions required to purchase benefits under the Plan as provided below:

A. A Participant who is on a paid leave of absence shall have his or her Compensation reduced in the same manner and in the same amount as if he was not on such leave.

B. A Participant who is on unpaid leave of absence shall:

1. Make direct premium payments to the Plan each pay period. Such payments shall be in the amount determined in accordance with the Employer's leave of absence policy.

2. Make contributions to the Plan in such other manner as may be agreed to by the Plan Administrator and the Participant.

4.04 Contributions by Participants for Coverage Continued During Unpaid FMLA Leave

A. Except as provided below, a Participant who continues coverage while on unpaid FMLA Leave shall utilize the "pay-as-you-go" method to pay for such coverage. Under the "pay-as-you-go" method, the Participant shall pay his or her share of the cost of such coverage by making direct contributions to the Plan on the same schedule as contributions would be made if the Participant was not on leave or under any other payment schedule permitted under 29 CFR §825.210(c), under the Employer's existing rules for payment by employers on other types of unpaid leave, or under any other system voluntarily agreed to between the Participant and the Employer that is not inconsistent with 26 CFR §1.125-3 or 29 CFR §825.210(c).

B. The Plan Administrator, in its sole discretion, may also permit a Participant to pay for coverage continued during a period of FMLA Leave under either of the following methods of payment:

1. Pre-pay method. Under the "pre-pay" method, a Participant pre-pays the amounts due for coverage continued during the FMLA Leave period prior to the commencement of the FMLA Leave, or

2. Catch-up method. Under the "catch-up" method, the Participant pays for his or her share of the cost of coverage continued during FMLA Leave after returning from FMLA Leave. This method of payment may be utilized only if the Employer and the Participant agree in advance of the coverage period that:

a. The Participant elects to continue health coverage while on unpaid FMLA Leave;

b. The Employer assumes responsibility for advancing payment of the premiums on the Participant's behalf during the FMLA Leave; and

c. These amounts are to be paid by the Participant when the Participant returns from FMLA Leave.

Notwithstanding the above, the Employer may utilize the "catch-up" method to recoup the Participant's share of the cost of continued coverage without obtaining the prior agreement of the Participant under the following circumstances:

a. The Employer chose to continue the Participant's coverage during FMLA Leave and allowed the Participant to discontinue payment of his or her share of the cost of coverage during the duration of such leave; or

b. The Employer continued the coverage of a Participant who had previously elected to continue coverage during FMLA Leave after such Participant failed to make required payments.

C. Basis of Payment. Participant contributions under any method of payment may be made on an after-tax basis. In addition, the Employer may permit a Participant to make contributions on a salary reduction basis as follows:

1. Contributions may be made on a salary reduction basis under the "pay-as you go" method of payment to the extent that they are made from taxable compensation due the Participant during the FMLA Leave period.

2. Contributions under the "pre-pay" method of payment may be made on a salary reduction basis from any taxable compensation, provided that in the event the period of FMLA Leave spans two Plan Years, pre-payment on a salary reduction basis may not be made for the period of FMLA Leave that falls in the subsequent Plan Year.

3. Contributions under the "catch-up" method of payment may be made on a salary reduction basis from any available taxable compensation after the Participant returns from FMLA Leave, provided that the Participant has not made any other contributions towards such coverage on an after-tax basis.

At the Employer's discretion, taxable compensation may also include compensation attributable to unused sick days or unused vacation days.

D. Notwithstanding the above, in no event will the payment methods for Participants on FMLA Leave be offered on terms less favorable as those offered to Participants who are not on FMLA Leave.

4.05 Maximum Amount of Contributions

The maximum amount of Salary Reduction Contributions for each Plan Year is the sum of the cost of the most expensive of the Benefit Option.

If a new Employee becomes a Participant after a Plan Year has commenced, the maximum amount of Salary Reduction Contributions made available to such Participant

for the balance of the Plan Year shall be prorated on the basis of the number of Contribution Pay Periods remaining in such Plan Year.

ARTICLE V

Opt-out Benefit Option

5.01 In General

The Benefit Option described in this Article provides a cash payment to Eligible Employees eligible for other employer-sponsored group health plan coverage who waive enrollment in the New York State Health Insurance Program. The amount of the Opt-out Benefit, the rules regarding eligibility for this Benefit Option and terms for payment of the Benefit for a Plan Year are set out in the Opt-out Benefit Option Documentation.

ARTICLE VI

Amendment or Termination

6.01 Right to Amend

The State of New York (or any person, entity, committee or group duly authorized by the State), shall have the right to make at any time any modification, amendment or amendments to this Plan; however, no amendment shall have any retroactive adverse effect on a Participant, unless the Commission determines such amendment is necessary or desirable to comply with applicable law. Furthermore, the duly authorized person, entity, committee or group shall have the power to amend the Plan to the extent that such amendment will not result in a material increase in the cost of the Plan to the Plan Sponsor, or to adopt any amendment as may be required to cause the Plan to comply with applicable law.

6.02 Right to Terminate

The State of New York (or any person, entity, committee or group duly authorized by the State), shall have the authority to terminate the Plan at any time in whole or in part; but in no event shall such termination prejudice any claim or benefit under the Plan that was incurred but not paid prior to the termination date.

ARTICLE VII

Administration

7.01 Plan Administrator

The Plan Sponsor shall be the Plan Administrator. The Plan Administrator's principal duty shall be to see that the Plan is carried out, in accordance with its terms, for the exclusive benefit of persons entitled to participate in the Plan without discrimination among them.

7.02 Powers and Duties

The Plan Administrator shall have full power to administer the Plan in all of its details, subject to applicable requirements of law. For this purpose, the Plan Administrator's powers include, but are not be limited to, the following discretionary authority, in addition to all other powers provided by this Plan:

A. To establish a funding policy and method consistent with the objectives of the Plan and as required by law.

B. To determine and set the cost associated with each Benefit Option offered under this Plan. Such cost can be changed at any time prior to or during a Plan Year without prior notification to Participants or to any Participating Employer.

C. To make and enforce such rules as it deems necessary or proper for the efficient administration of the Plan, including the establishment of any claims procedures that may be required by applicable provisions of law.

D. To interpret the Plan, its interpretation in good faith to be final and conclusive on all persons claiming benefits under the Plan.

E. To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan.

F. To appoint such agents, counsel, accountants, consultants and other persons as may be required to assist in administering the Plan.

G. To allocate and delegate its responsibilities under the Plan and to designate other persons to carry out any of its responsibilities under the Plan, including, but not limited to, delegating certain claims administration duties to a claims administrator, provided that any such allocation, delegation or designation shall be set out in a written instrument executed by the Plan Administrator and the designated party.

H. To communicate to any insurer or other supplier or administrator of benefits under this Plan in writing all information required to carry out the provisions of the Plan.

I. To notify the Participants in writing of any substantive amendment or termination of the Plan or of a change in benefits available under the Plan.

Notwithstanding the provisions of this section, the powers and duties allocated to the Plan Administrator and described in this Section shall only be applicable with respect to a claim arising under the Benefit Options or to the administration of the Benefit Options to the extent that such power or duty is not allocated (either expressly or by implication) to the individual(s) or entity appointed to serve as administrator of any of the Benefit Options.

7.03 Examination of Records

The Plan Administrator will make available to each Participant such records under the Plan as pertain to him, for examination at reasonable times during normal business hours.

7.04 Reliance on Tables, etc.

In administering the Plan, the Plan Administrator will be entitled to the extent permitted by law to rely conclusively on all tables, valuations, certificates, opinions and reports that are furnished by, or in accordance with the instructions of, the administrators of any of the plans offered within the Plan, or by accountants, counsel or other experts employed or engaged by the Plan Administrator.

7.05 Nondiscriminatory Exercise of Authority

Whenever any discretionary action by the Plan Administrator is required to administer the Plan, the Plan Administrator shall exercise its authority in a nondiscriminatory manner so that all persons similarly situated will receive substantially the same treatment.

7.06 Standard of Review

The Plan Administrator shall perform its duties as the Plan Administrator and in its sole discretion shall determine appropriate courses of action in light of the reason and purpose for which this Plan is established and maintained. In particular, the Plan Administrator shall interpret all Plan provisions, and make all determinations as to whether any particular Participant is entitled to receive any benefit under the terms of this Plan, which interpretation shall be made by the Administrator in its sole discretion. Any construction of the terms of the Plan that is adopted by the Plan Administrator and for which there is a rational basis shall be final and legally binding on all parties.

Any interpretation of the Plan or other action of the Plan Administrator shall be subject to review only if such interpretation or other action is without rational basis. Any review of a final decision or action of the Plan Administrator shall be based only on such evidence presented to or considered by the Administrator at the time it made the decision that is the subject of review.

ARTICLE VIII

Miscellaneous Provisions

8.01 Information to be Furnished

Participants shall provide the Plan Administrator with such information and evidence and shall sign such documents, as may reasonably be requested from time to time, for the purpose of administration of the Plan.

8.02 Limitation of Rights

In no event shall the establishment of the Plan, the amendment of the Plan, or the payment of any benefits, be deemed as giving the Participant or other person any legal or equitable right against the Plan Sponsor, except as provided herein.

8.03 Governing Law

This Plan shall be construed, administered and enforced according to the laws of the State of New York, except as may be preempted by federal law.

8.04 Facility of Payment

If the Plan Administrator deems any person entitled to receive any amount under the provisions of this Plan incapable of receiving or disbursing the same by reason of minority, death, illness or infirmity, mental incompetence or incapacity of any kind, the Plan Administrator may, in its discretion, take any one or more of the following actions:

A. Apply such amount directly for the comfort, support and maintenance of such person.

B. Reimburse any person for any such support previously supplied to the person entitled to receive any such payment.

C. Pay such amount to a legal representative or guardian or any other person selected by the Plan Administrator for the comfort, support and maintenance of the person entitled to receive such amount, including without limitation, any relative who had undertaken, wholly or partially, the expense of such person's comfort, care and maintenance, or any institution caring for such person. The Plan Administrator may, in its discretion, deposit any amount due to a minor to his or her credit in any savings or commercial bank of the Plan Administrator's choice.

8.05 Lost Payee

Any amount due and payable to a Participant or beneficiary shall be forfeited if the Plan Administrator, after reasonable effort, is unable to locate the Participant or beneficiary to whom payment is due. Such forfeited amounts shall be applied toward the administrative expenses of the Plan, or shall revert to the applicable Employer. However, any such forfeited amount will be reinstated through a special contribution to the Plan by the Employer and become payable if a claim is made by the Participant or beneficiary. The Plan Administrator shall prescribe uniform and nondiscriminatory rules for carrying out this provision.

8.06 No Guarantee of Tax Consequences

Notwithstanding anything herein to the contrary, the Employer neither insures nor makes any commitment or guarantee that any amounts paid to a Participant pursuant to the Plan or any amounts by which a Participant's wages are reduced pursuant to Article III will be excludable from the Participant's gross income for federal, state or local income tax purposes. It shall be the obligation of each Participant to notify the Employer if the Participant has reason to believe that any payment made or to be made to the Participant pursuant to the Plan is not excludable from the Participant's gross income for federal, state or local income tax purposes.

8.07 Funding

As determined by the Plan Administrator, payments due under the Plan will be made from the general assets of the Employer, provided by a third party insurance company with whom the Plan Administrator has contracted to provide certain benefits, or from a trust.

8.08 Indemnification of Employer by Participant

If a Participant receives one or more payments in accordance with applicable Plan provisions that are not for eligible dependent care expenses or eligible medical expenses, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal, state or local income tax or Social Security tax from such payments. Such indemnification and reimbursement shall not exceed the sum of the amount of additional federal and state income tax that the Participant would have owed if the payments had been made to the Participant as regular cash Compensation plus the Participant's share of any Social Security tax that would have been paid on such Compensation.

ARTICLE IX

Provision of Protected Health Information to the Plan Sponsor

9.01 Permitted Disclosures of Protected Health Information

Unless otherwise permitted or required by law, and subject to obtaining written certification pursuant to Section 10.04, the Component Plan that is a Health Plan as defined in 45 CFR §160.103 may disclose Protected Heath Information (as defined in 45 CFR §160.103) to an Employer only for the purpose of enabling the Plan Sponsor to perform administrative functions related to the treatment, payment and health care operations of such Health Plan as defined in 45 CFR §164.501.

In no event shall the Plan Sponsor be permitted to use or disclose Protected Health Information in a manner that is inconsistent with 45 CFR §164.504(f).

9.02 Conditions of Disclosure

The Employer agrees that with respect to any Protected Health Information disclosed to it by the Health Plan that it shall:

A. Not use or further disclose the Protected Health Information other than as permitted or required by the Health Plan or as required by law.

B. Ensure that any agents, including a subcontractor, to whom it provides Protected Health Information received from the Health Plan agree to the same restrictions and conditions that apply to the Employer with respect to Protected Health Information.

C. Not use or disclose the Protected Health Information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer.

D. Report to the Health Plan any use or disclosure of the information that is inconsistent with the uses or disclosures provided for of which it becomes aware.

E. Make available Protected Health Information in accordance with 45 CFR §164.524.

F. Make available Protected Health Information for amendment and incorporate any amendments to Protected Health Information in accordance with 45 CFR §164.526.

G. Make available the information required to provide an accounting of disclosures in accordance with 45 CFR §164.528.

H. Make its internal practices, books, and records relating to the use and disclosure of Protected Health Information received from the Health Plan available to the Secretary of Health and Human Services for purposes of determining compliance by the Health Plan with subpart E of 45 CFR §164.

I. If feasible, return or destroy all Protected Health Information received from the Health Plan that the Employer still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.

J. Ensure that the adequate separation between the Health Plan and Employer, required in 45 CFR §504(f)(2)(iii), is satisfied.

K. If the Employer receives electronic protected health information, as defined in 45 CFR §160.103, it shall:

1. Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic PHI that it creates, receives, maintains or transmits on behalf of the Plan;

2. Ensure that the adequate separation between the Plan and the Employer with respect to electronic protected health information is supported by reasonable and appropriate security measures;

3. Ensure that any agent, including a subcontractor, to whom it provides electronic protected health information to implement reasonable and appropriate security measure to protect the electronic protected health information; and

4. Report to the Plan any security incidents of which it becomes aware concerning electronic protected health information.

9.03 Separation Between Health Plan and Employers

To satisfy the requirements of Section 9.02 J. above, the following conditions shall apply:

A. Protected Health Information may only be used and/or disclosed by the Plan to employees who are part of the Department's Employee Benefits Division staff or who administer employee health benefits as designated by each State agency.

B. The access to and use of Protected Health Information by the individuals described in Section 9.03 A. above shall be restricted to the plan administration functions that the Employer performs for the Health Plan.

C. An individual described in Section 9.03 A. above who fails to comply with the provisions of the plan document relating to the use and disclosure of Protected Health Information shall be subject to disciplinary action under the Employer's established policies and procedures.

9.04 Certification

The Health Plan shall disclose Protected Health Information to the Plan Sponsor only upon the receipt of a certification that the plan document has been amended to incorporate the provisions of 45 CFR §164.504(f)(2)(ii), and that the Employer agrees to the conditions of disclosure set forth in Section 9.02. The Health Plan shall not disclose Protected Health Information to the Employer as otherwise permitted herein unless the statement required by 45 CFR §164.520(b)(1)(iii)(C) is included in the appropriate notice.

IN WITNESS WHEREOF, the Plan Sponsor has caused this Plan to be executed in its name and behalf effective the 1st day of January, 2012, by its officer thereunto duly authorized.

ATTEST (SEAL)

_____ _____

Signature

_____

Printed Name

_____

Title

APPENDIX A

List of Component Plans

New York State Health Insurance Program

APPENDIX B

Opt-out Benefit Option Documentation

The Opt-out Benefit Option Documentation consists of the following:

- Planning for Option Transfer December 2011
- Planning for Option Transfer November 2011
- Memo NY 11-46
- Memo NY 11-48
- Any other subsequently issued documentation that describes the terms and condition of the Opt-out Benefit